

Enw'r Pwyllgor / Name of Committee	Audit and Risk Assurance Committee (ARAC)
Cadeirydd y Pwyllgor/ Chair of Committee:	Cllr. Rhodri Evans, Independent Member
Cyfnod Adrodd/ Reporting Period:	Meeting held on 20 February 2024
Y Penderfyniadau a'r Materion a Ystyriodd y Prif Bwyllgor / Key Decisions and Matters Considered by the Main Committee:	
<p>In accordance with the guidance provided in the NHS Wales Audit Committee Handbook, the Board should look to their Audit Committee to review and report on the relevance and rigour of the governance processes in place and the assurances provided to the Board. Hywel Dda University Health Board's (HDdUHB) Audit and Risk Assurance Committee's (the Committee) primary role is, as such, to ensure the system of assurance is valid and suitable for the Board's requirements and to support the Board by seeking and providing assurance that controls are in place and are working as designed, and to challenge poor sources of assurance.</p> <p>This report summarises the work of the Audit and Risk Assurance Committee at its meeting held on 20 February 2024, in monitoring, reviewing and reporting to the Board on the processes of governance, and facilitating and supporting the attainment of effective processes. At its meeting on 20 February 2024, the Committee critically reviewed governance and assurance processes for a number of service/business areas, with the following highlighted:</p> <ul style="list-style-type: none"> • Escalation Status Update: The Committee received and noted the update from the Targeted Intervention meeting held on 10 January 2024 and the update from Welsh Government (WG) in relation to the change of escalation status to Targeted Intervention for the entire HDdUHB organisation. Whilst the Escalation Framework has been published, the Health Board awaits feedback on the new organisational TI arrangements, as well as clarification regarding expectations and support. Furthermore, the Committee will continue to seek assurance on progress made against the increased escalation status once further detail is provided by Welsh Government. • ARAC Self-Assessment 2023/24: The Committee considered the outputs from the Committee Self-Assessment process, agreed the actions to be taken to improve its effectiveness and requested an update to the August 2024 meeting. • ARAC Terms of Reference: The Committee approved the revised Audit and Risk Assurance Committee's Terms of Reference for onward ratification by the Board on 28 March 2024. • Financial Assurance Report: The Committee received and noted the Financial Assurance report; and considered the Scheme of Delegation proposal that requisitions up to £5m are approved by the Assistant Director of Finance, and those above £5m by the Director of Finance, to avoid delays and inefficiencies in the current process. It was agreed that ARAC should receive details regarding the number of requisitions and the potential delays involved at the next meeting, in order to make an informed decision regarding this change. 	

This change was therefore not supported by the Committee. The Committee approved losses as detailed within the report.

- **Annual Statement of Financial Procedures:** The Committee noted the Annual Statement of Financial Procedures report.
- **Counter Fraud Update:** The Committee received an update on Counter Fraud activity, noting counter fraud work undertaken on two national risk alerts, involving impersonation of medical professionals and falsification of English language certificates, as well as the review of requisitions and contract splitting.
- **Structured Assessment 2023 - Management Response:** The Committee received assurance from the management response that the five recommendations raised in the Audit Wales Structured Assessment 2023 report, relating to patient safety, performance management, financial scrutiny, strategic objectives and digital transformation, will be addressed appropriately. The Committee noted that the Health Board is reviewing its performance management arrangements and strengthening the Directorate Improving Together sessions.
- **Audit Wales Update Report:** An update was provided on financial and performance audit work outlining the proposed timescales and fees for the financial audit work for 2024, as well as a review of the previous year's process. The Committee noted Audit Wales' plans to complete the financial audit work by 15 July 2024, which is earlier than the previous year however still poses some risks and challenges. The audit fee has increased by 6.4%, however Audit Wales hopes to deliver some efficiencies and issue refunds if possible. The proposed audit timescale would require an additional ARAC and Public Board meeting to sign off the Annual Report and Accounts, which would affect the Board Members' commitments. The Annual General Meeting would not be possible by the end of July 2024, which may breach the Standing Orders. Audit Wales is aware of this issue and is working with Welsh Government on it.
- **Decarbonisation (Limited Assurance):** The Committee received and noted the Decarbonisation report evaluating the Health Board's progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Health Board's Decarbonisation Action Plan. The Committee acknowledged the significant amount of work and progress made on decarbonisation; and the challenges and risks such as the lack of capital funding and the uncertainty of Welsh Government targets. Internal Audit found these to be common across similar audits undertaken across Wales on Decarbonisation. Whilst acknowledging that decarbonisation is a moral responsibility, without investment, achievement of the WG targets remain a significant risk, and there needs to be consideration of where it sits within the Health Board's priorities, in light of the current financial position.
- **Review of Operational Governance Arrangements Mental Health and Learning Disabilities (MHL) – Update:** The Committee considered the progress made in respect of the recommendations from the Audit Wales review of the operational governance arrangements in MHL, noting the six recommendations aiming to improve governance arrangements for the Mental

Health and Learning Disabilities (MHL) Directorate progress had been made in areas such as staff engagement, recruitment and retention planning, and data cleansing; however delays were evident in other areas, such as the clinical audit framework and the operational governance structure. Assurance was sought that the recommendations would be implemented by the amended timescales with this duly provided by the service. The Committee were concerned that the MHLD directorate was a service of concern for the second time with 101 open and 57 overdue recommendations. The MHLD team were requested to attend ARAC again to provide a further update.

- **Follow-up Review of Primary Care - Management Response:** The Committee noted the management response to the Audit Wales Follow-up Review of Primary Care and requested that a revised version be presented to the next meeting to include additional detail regarding budgets and completion dates, with clear timescales.
- **Internal Audit Plan Progress Report:** The Committee received assurance with regard to the delivery of the Internal Audit plan for 2023/24 year and the outcomes of the finalised audit reports, and were assured that the 15 outstanding audits would be completed by June 2024. The Committee were concerned regarding the increased pressure this places on Members to review a significant number of internal audit reports across two meetings with this matter raised to the Head of Internal Audits attention.
- **Bronglais Hospital (BGH) Quality and Safety Governance Follow-up (Reasonable Assurance):** The Committee received the Bronglais General Hospital Quality and Safety Governance Follow-up (Reasonable Assurance) report, noting progress on high priority recommendations.
- **Internal Audit (IA):** The following IA reports were deferred to a future meeting:
 - Withybush Hospital (WGH) Reinforced Autoclaved Aerated Concrete (RAAC) Internal Major Incident
 - Transforming Urgent and Emergency Care (TUEC)
 - Cross Hands Health and Wellbeing Centre
 - Cleanliness/Cleaning Standards
 - Elective Waiting List Management
 - Glangwili Hospital (GGH) Fire Enforcement (BJC1)
 - Agency/Rostering
 - Emergency Planning
 - Major Programme/Project Provision
 - Financial Savings and Financial Control
- **Theatre Loan Trays and Consumables Follow-up (Reasonable Assurance):** The Committee received the Theatre Loan Trays and Consumables Follow-up report, noting the suspension of the loan service, which will not be reinstated until the Scan 4 Safety system has been implemented. The Committee requested assurance on implementation of the other recommendations within the report for example written procedures. The Committee recommended a further comprehensive update be provided to the next meeting.

- **NICE Guidance Follow-up (Substantial Assurance):** The Committee received the NICE Guidance Follow-up report, noting significant progress in implementing the agreed actions from the previous audit.
- **Audit Tracker:** The Audit Tracker, which tracks progress against audits and inspections undertaken within the Health Board, was presented. The number of open reports has increased from 123 to 134. 52 of these reports have recommendations that have exceeded their original completion date, an increase from the 45 reports previously reported in December 2023. There is an increase in the number of recommendations where the original implementation date has passed, from 166 to 230. 57 of these are a result of the outcomes of the reconciliation exercise between the Audit and Inspection tracker and the AMaT system, coupled with current operational demands. The number of recommendations that have gone beyond six months of their original completion date has reduced from 47 to 66, as reported in December 2023. There are currently 539 open recommendations on the Audit Tracker, an increase from the 503 reported in December 2023. There were a number of services called out in the report for a deteriorating position, with MHLD not meeting the threshold for being invited to the Committee. The Committee received assurance on the rolling programme to collate updates from services on a bi-monthly basis in order to report progress to the Committee.
- **Risk Assurance Report and Risk Maturity Assessment:** The Committee received assurance on the effectiveness of the Risk Management Framework and implementation of the Risk Management Strategy; and the work being undertaken to strengthen risk management, noting that the number of open risks has increased, most of which are high or extreme, and many are overdue for review. A risk maturity self-assessment was conducted using the Orange Book risk management standard and had identified areas for improvement. The outcomes of the assessment have informed the new Risk Management Strategy for 2024/25. The Committee expressed concern that the majority of risks have not been reviewed for 1-3 months and questioned the effectiveness of DITs process in this regard with the matter referred to the Executive Director of Operations.
- **Risk Management Strategy:** The Committee endorsed the Risk Management Strategy, for approval by the Board in March 2023, noting three new objectives for risk management, based on the gaps identified in the risk maturity assessment as follows:
 - Implement and embed the Health Board's refreshed risk appetite statements, which includes a new approach to risk tolerance.
 - Support the strengthening of operational risk management arrangements – this will build on current work and continue to strengthen existing arrangements.
 - Understand how established risk management processes currently contribute to the overall health of the organisation (ie achievement of objectives, delivery of plans and performance), and how this can be strengthened.

- **Audit Wales Letter - Audit of Accounts 2023/24:** The Committee noted the Audit Wales Letter.
- **National Internal Audit Reports:** There were no National Internal Audit Reports.
- **Audit Committee Work Programme:** The Committee received for information the ARAC work programme for 2023/24.

**Materion Allweddol a Ystyriwyd gan y Pwyllgor Mewnol:
Key Matters Considered by the In-Committee:**

- **Counter Fraud Investigations:** The Committee received a report detailing cases currently under investigation by Counter Fraud, together with closed cases.

**Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd ar eu cyfer /
Matters Requiring Board Level Consideration or Approval:**

- Terms of Reference for ratification (Appendix 1)
- Risk Management Strategy for approval (item 2.6.1)

**Risgiau Allweddol a Materion Pryder /
Key Risks and Issues/ Matters of Concern:**

- Financial Assurance Report and the need for the change to the Scheme of Delegation
- The requirement for an extraordinary ARAC and Board Meeting in Public in mid July 2023 to sign off the Annual Report and Accounts for 2023/24, due to Audit Wales timelines to complete financial audit work, which also impact on the Health Board's ability to hold the Annual General Meeting by end of July 2023 in line with Standing Orders. This has been scheduled for 26 September 2024.
- The challenges and risks, such as the lack of capital funding and the uncertainty of Welsh Government targets affecting the Health Board's ability to effectively progress the WG's Decarbonisation agenda were highlighted in the **Decarbonisation (limited assurance) Internal Audit**. Further consideration of where decarbonisation sits within the Health Board's priorities, in light of the current financial position, is required.
- Whilst MHLD Directorate provided assurance on their progress against the recommendations raised in the Audit Wales review of **Operational Governance Arrangements in MHLD**, concerns were noted on the number of outstanding recommendations owned by the MHLD Directorate on the Health Board Central Tracker.
- Due to lack of assurance provided in management responses the requirement for a number of reports to be brought back to the April Committee meeting.

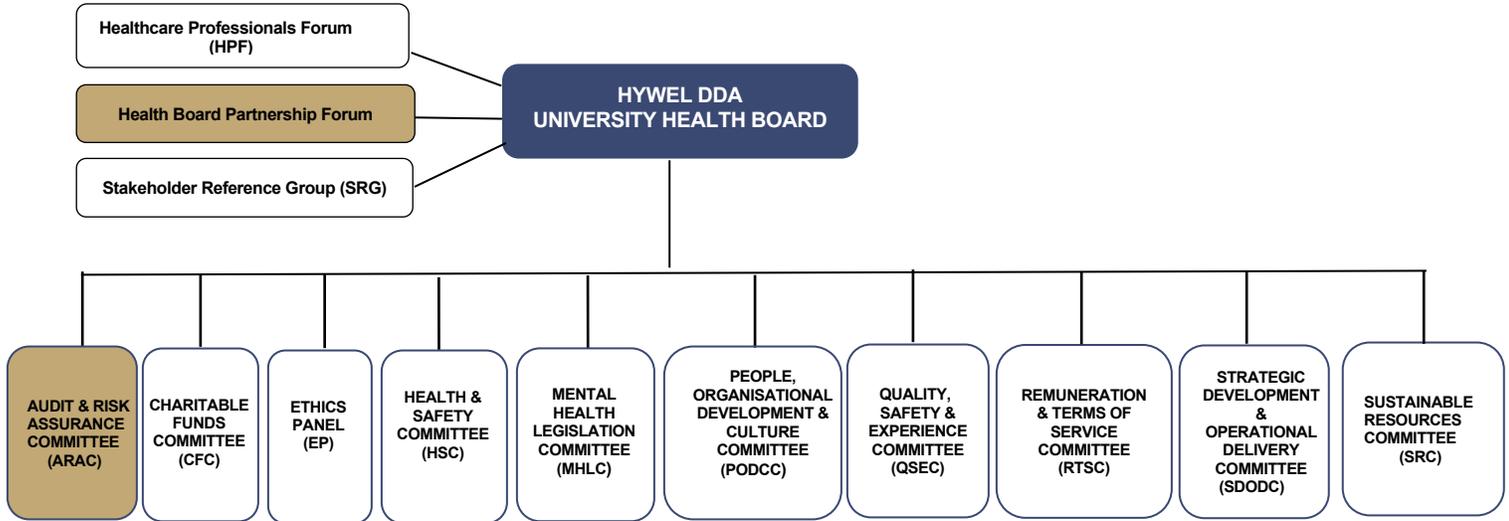
**Busnes Cynlluniedig y Pwyllgor ar gyfer y Cyfnod Adrodd Nesaf /
Planned Committee Business for the Next Reporting Period:**

Adrodd yn y Dyfodol / Future Reporting:

In addition to the items scheduled to be reviewed as part of the Committee's work programme, following up progress of the various actions identified above will be undertaken.

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

16 April 2024



AUDIT AND RISK ASSURANCE COMMITTEE

TERMS OF REFERENCE

Version	Issued To	Date	Comments
V1	Audit Committee	08.12.2009	Approved
	Hywel Dda Health Board	28.01.2010	Approved
	Hywel Dda Health Board	22.07.2010	Approved
V2	Audit Committee	07.06.2011	Approved
V3	Hywel Dda Health Board	29.09.2011	Approved
V4	Audit Committee	11.09.2012	Approved
V5	Audit Committee	11.08.2015	Approved
V6	Audit and Risk Assurance Committee	13.10.2015	Approved
V7	Hywel Dda University Health Board	26.11.2015	Approved
V8	Audit and Risk Assurance Committee	11.10.2016	Approved
V8	Hywel Dda University Health Board	26.01.2017	Approved
V9	Audit and Risk Assurance Committee	09.01.2018	Approved
V9	Hywel Dda University Health Board	29.03.2018	Approved
V.10	Audit and Risk Assurance Committee	19.02.2019	Approved
V.10	Hywel Dda University Health Board	28.03.2019	Approved
V.11	Audit and Risk Assurance Committee	25.02.2020	Approved

V.11	Hywel Dda University Health Board	26.03.2020	Approved
V.12	Audit and Risk Assurance Committee	23.02.2021	Approved
V.12	Hywel Dda University Health Board	25.03.2021	Approved
V.13	Hywel Dda University Health Board	29.07.2021	Approved
V.14	Audit and Risk Assurance Committee	21.06.2022	Approved
V.14	Hywel Dda University Health Board	28.07.2022	Approved
V.15	Audit and Risk Assurance Committee	18.04.2023	Approved
V.15	Hywel Dda University Health Board	25.05.2023	Approved
V.16	Audit and Risk Assurance Committee	20.02.2024	Approval
V.16	Hywel Dda University Health Board	28.03.2024	For Approval

AUDIT & RISK ASSURANCE COMMITTEE

1. Constitution

- 1.1 The Audit Committee has been established as a Committee of the Hywel Dda University Health Board (HDdUHB) and constituted from 1 October 2009. The Committee is an independent Committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference. On 1 June 2015, the Committee took on an enhanced role and was re-named the Audit and Risk Assurance Committee (the Committee).

2. Purpose

- 2.1 The purpose of the Audit and Risk Assurance Committee is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the UHB's system of assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the UHB's objectives, in accordance with the standards of good governance determined for the NHS in Wales.
- 2.2 The Committee independently monitors, reviews and reports to the Board on the processes of governance, and where appropriate, facilitates and supports, through its independence, the attainment of effective processes.
- 2.3 Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.
- 2.4 The Committee's principal duties encompass the following:
- 2.4.1 Review the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, both clinical and non-clinical.
 - 2.4.2 Seek assurance that the systems for financial reporting to Board, including those of budgetary control, are effective, and that financial systems processes

- and controls are operating.
- 2.4.3 Work with the Quality, Safety and Experience Committee, the People Organisational Development and Culture Committee, Strategic Development and Operational Delivery Committee and Sustainable Resources Committee to ensure that governance and risks are part of an embedded assurance framework that is 'fit for purpose'.
 - 2.4.4 Receive an assurance on delivery against relevant Planning Objectives aligned to the Committee accordance with Board approved timescales, as set out in HDdUHB's Annual Plan.

3. Key Responsibilities

The Audit and Risk Assurance Committee shall provide advice, assurance and support to the Board in ensuring the provision of high quality, safe healthcare for its citizens, as follows:

Governance, Risk Management and Internal Control

- 3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.
- 3.2 In particular, the Committee will review the adequacy of:
 - 3.2.1 all risk and control related disclosure statements (in particular the Accountability Report and the Performance Report), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
 - 3.2.2 the underlying assurance processes that indicate the degree of the achievement of strategic and planning objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
 - 3.2.3 the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and
 - 3.2.4 the policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by the Counter Fraud and Security Management Service.
- 3.3 In carrying out this work, the Committee will primarily utilise the work of Internal Audit, Clinical Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.
- 3.4 This will be evidenced through the Committee's use of an effective assurance framework to guide its work and that of the audit and assurance functions that report to it.

- 3.5 The Committee will seek assurance that effective systems are in place to manage risk, that the organisation has an effective framework of internal controls to address principal risks (those likely to directly impact on achieving strategic objectives), and that the effectiveness of that framework is regularly reviewed.
- 3.6 Monitor the assurance environment and challenge the build-up of assurance on the management of key risks across the year, and ensure that the Internal Audit plan is based on providing assurance that controls are in place and can be relied upon (particularly where there is a significant shift between the inherent and residual risk profile), and review the internal audit plan in year as the risk profile changes.
- 3.7 Seek assurance on delivery against Planning Objectives aligned to the Committee, considering and scrutinising the frameworks, charts/charters and action plans that are developed, supporting and endorsing these as appropriate.
- 3.8 Consider and recommend to the Board approval of any changes to the Risk Management Framework and oversee development of the Board Assurance Framework.
- 3.9 Provide assurance with regard to the systems and processes in place for clinical audit, and consider recommendations from the Effective Clinical Practice Working Group on suggested areas of activity for review by internal audit.
- 3.10 The Committee will be responsible for reviewing the UHB's Standing Orders and Standing Financial Instructions and Scheme of Delegation annually, (including associated framework documents as appropriate), monitoring compliance, and reporting any proposed changes to the Board for consideration and approval.
- 3.11 To receive annually a full report of all offers of gifts, hospitality, sponsorship and honoraria recorded by the UHB and report to the Board the adequacy of these arrangements.
- 3.12 To review and report to the Board annually the arrangements for declaring, registering, and handling interests.
- 3.13 Approve the writing-off of losses or the making of special payments within delegated limits.
- 3.14 Receive an assurance on Post Payment Verification Audits through bi-annual reporting to the Committee.
- 3.15 Receive a report on all Single Tender Actions and extensions of contracts.

Internal Audit and Capital/PFI

- 3.16 The Committee shall ensure that there is an effective internal audit and capital/PFI function established by management that meets mandatory Internal Audit Standards for

NHS Wales and provides appropriate independent assurance to the Committee, Chief Executive and Board. This will be achieved by:

- 3.16.1 review and approval of the Internal Audit Strategy, Charter, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation;
- 3.16.2 review of the adequacy of executive and management responses to issues identified by audit, inspection and other assurance activity, in accordance with the Charter;
- 3.16.3 Regular consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources;
- 3.16.4 ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation; and
- 3.16.5 annual review of the effectiveness of internal audit.

External Audit

- 3.17 The Committee shall review the work and findings of the External Auditor and consider the implications and management's responses to their work. This will be achieved by:
 - 3.17.1 discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination, as appropriate, with other External Auditors and inspection bodies in the local health economy;
 - 3.17.2 discussion with the External Auditors of their local evaluation of audit risks and assessment of the Local Health Boards/NHS Trusts and associated impact on the audit fee;
 - 3.17.3 review all External Audit reports, including agreement of the Annual Audit Report and Structured Assessment before submission to the Board, and any work carried outside the annual audit plan, together with the appropriateness of management responses; and
 - 3.17.4 review progress against the recommendations of the annual Structured Assessment.

Other Assurance Functions

- 3.18 The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications on the governance of the organisation.
- 3.19 The Committee's programme of work will be designed to provide assurance that the work carried out by the whole range of external review bodies is brought to the attention of the Board. This will ensure that the Health Board is aware of the need to comply with related standards and recommendations of these review bodies and the risks of failing to comply. These will include, but will not be limited to, any reviews by Inspectors and other bodies (e.g. Healthcare Inspectorate Wales, Welsh Risk Pool, etc), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc).

- 3.20 The Audit and Risk Assurance Committee and the Quality, Safety and Experience Committee both have a role in seeking and providing assurance on Clinical Audit in the organisation. The Audit and Risk Assurance Committee will seek assurance on the overall plan, its fitness for purpose and its delivery. The Quality, Safety and Experience Committee will seek more detail on the clinical outcomes and improvements made as a result of clinical audit. The internal audit function will also have a role in providing assurance on the Annual Clinical Audit Plan.
- 3.21 The Audit and Risk Assurance Committee will also seek assurances where a significant activity is shared with another organisation and collaboratives, in particular the NHS Wales Shared Services Partnership, Welsh Health Specialised Services Committee, Emergency Ambulance Services Committee and other regional committees. The Audit and Risk Assurance Committee will expect to receive assurances from internal audit performed at these organisations that risks in the services provided to them are adequately managed and mitigated with appropriate controls.

Management

- 3.22 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
- 3.23 The Committee may also request specific reports from individual functions within the organisation (e.g. clinical audit), as they may be appropriate to the overall arrangements.
- 3.24 The Committee may also request or commission special investigations to be undertaken by Internal Audit, directors or managers to provide specific assurance on any areas of concern that come to its attention.

Financial Reporting

- 3.25 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on:
- 3.25.1 the ISA 260 report to those charged with governance;
 - 3.25.2 changes in, and compliance with, accounting policies and practices;
 - 3.25.3 unadjusted mis-statements in the financial statements;
 - 3.25.4 major judgemental areas;
 - 3.25.5 significant adjustments resulting from the audit;
 - 3.25.6 other financial considerations include review of the Schedule of Losses and Compensation.
- 3.26 The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

4. Membership

4.1 The membership of the Committee shall comprise of the following:

Member
Independent Member (Chair)
Independent Member (Vice-Chair)
3 2 x Independent Members

4.2 The following should attend Committee meetings:

In Attendance
Director of Finance
Director of Corporate Governance/Board Secretary (Lead)
Representative of the Auditor General
Head of Internal Audit
Capital/Private Finance Initiative (PFI) Auditor
Local Counter Fraud Specialist
Assistant Director of Assurance and Risk
Head of Clinical Audit (as and when required)

4.3 Membership of the Committee will be reviewed on an annual basis.

5. Quorum and Attendance

- 5.1 A quorum shall consist of no less than ~~three~~ **two** of the membership and must include as a minimum the Chair or Vice Chair of the Committee, *together with a third of the In Attendance members.*
- 5.2 The membership of the Committee shall be determined by the Board, based on the recommendation of the University Health Board (UHB) Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.
- 5.3 Any senior officer of the UHB or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.
- 5.4 The Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 5.5 Should any 'in attendance' officer member be unavailable to attend, they may nominate a deputy to attend in their place, subject to the agreement of the Chair.
- 5.6 The Chief Executive, as the Accountable Officer, should be invited to attend, as a minimum when the Committee considers the draft internal audit plan, to present the draft Accountability Report and the annual accounts, and on request by the Committee.

- 5.7 The Chair of the UHB should not be a member of the Audit and Risk Assurance Committee and will not normally attend but may be invited by the Committee Chair to attend all or part of a meeting to assist with its discussions on any particular matter.
- 5.8 The Head of Internal Audit, Capital/PFI Auditor and the representative of the Auditor General shall have unrestricted and confidential access to the Chair of the Audit and Risk Assurance Committee at any time, and vice versa.
- 5.9 The Committee will meet with Internal, Capital/PFI and External Auditors and the Local Counter Fraud Specialist without the presence of officers on at least one occasion each year.
- 5.10 The Chair of the Audit and Risk Assurance Committee shall have reasonable access to Executive Directors and other relevant senior staff.
- 5.11 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

6. Agenda and Papers

- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Director (Board Secretary), at least **six** weeks before the meeting date.
- 6.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Lead/relevant Director.
- 6.4 The agenda and papers will be distributed **seven** days in advance of the meeting.
- 6.5 A draft Table of Actions will be issued within **two** days of the meeting. The minutes and Table of Actions ~~action-log~~ will be circulated to the Lead Director within **seven** days ~~members within seven days~~ to check the accuracy, prior to sending to Members (including the Committee Chair) to review within the next **seven** days.
- 6.6 Members must forward amendments to the Committee Secretary within the next **seven** days. The Committee Secretary will then forward the final version to the Committee Chair for approval.

7. In Committee

- 7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.

8. Frequency of Meetings

- 8.1 The Committee will meet bi-monthly and shall agree an annual schedule of meetings. Any additional meetings will be arranged as determined by the Chair of the Committee in discussion with the Lead (Board Secretary).
- 8.2 The Chair of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of and procedures of such Committee meetings.
- 8.3 The External Auditor, Head of Internal Audit and Capital/PFI Auditor may request a meeting if they consider one is necessary.

9. Accountability, Responsibility and Authority

- 9.1 Although the Board has delegated authority to the Committee for the exercise of certain functions, as set out in these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.
- 9.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 9.3 The Committee shall embed the UHB's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 9.4 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Committee.

10. Reporting

- 10.1 The Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint/sub committees and groups, to provide advice and assurance to the Board through the:
 - 10.1.1 joint planning and co-ordination of Board and Committee business;
 - 10.1.2 sharing of information.
- 10.2 In doing so, the Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 10.3 The Committee may establish sub-committees or task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each sub-committee or task and finish group meeting detailing the business undertaken on its behalf.

- 10.4 The Committee will consider the assurance provided through the work of the Board's other Committees and Sub-Committees to meet its responsibilities for advising the Board on the adequacy of the UHB's overall assurance framework.
- 10.5 The Committee Chair, supported by the Committee Secretary, shall:
- 10.5.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report as well as the presentation of an annual report within six weeks of the end of the financial year and timed to support the preparation of the Accountability Report. This should specifically comment on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self assessment activity against relevant standards. The report will also record the results of the Committee's self assessment and evaluation.
 - 10.5.2 Bring to the Board's specific attention any significant matter under consideration by the Committee.
 - 10.5.3 Ensure appropriate escalation arrangements are in place to alert the UHB Chair, Chief Executive or Chairs of other relevant Committee, of any urgent/critical matters that may affect the operation and/or reputation of the UHB.
- 10.6 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committees performance and operation, including that of any sub-committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

11. Secretarial Support

- 11.1 The Committee Secretary shall be determined by the Board Secretary.

12. Review Date

- 12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.